No. 88-651

IN THE
SUPREME COURT OF THE UNITED STATES
OCTOBER TERM, 1988

RICHARD ANDERSON PHOTOGRAPHY,
Petitioner,

v.

RADFORD UNIVERSITY, *et al.*,
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI
TO THE UNITED STATES COURT OF APPEALS
FOR THE FOURTH CIRCUIT

PETITIONER'S REPLY BRIEF

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There is no dispute between Petitioner and Respondents that Rule 17.1(c) of the Rules of this Court favors the grant of certiorari where "a federal court of appeals has decided an important question of federal law which has not been, but should be, settled by this Court . . . ." Nor can the Respondents deny that, as the Ninth Circuit held in *BV Engineering* v. *University of California, Los Angeles*, 858 F.2d 1394, 1400 (9th Cir. 1988), this Court "has never addressed the question of eleventh amendment immunity in a context where exclusive jurisdiction rests in the federal courts." Rather, it must be conceded that in every previous Eleventh Amendment case decided by this Court, the issue was " 'not the general immunity of the States from private suit . . . but merely the susceptibility of the States to suit before *federal tribu-*

nals.' " *Atascadero State Hospital* v. *Scanlon*, 473 U.S. 234, 240 n.2 (1985) (emphasis and ellipsis in original, quoting *Employees* v. *Missouri Dep't of Public Health and Welfare*, 411 U.S. 279, 293–94 (1973) (Marshall, J., concurring in result)). Finally, the importance of the question here presented to the entire copyright community is evidenced by the number of *amicus curiae* briefs filed on this issue in the Fourth, Ninth and First Circuits — and by its obvious impact on the governments of all fifty states.

That said, only the following need be added in reply to the Brief in Opposition (hereinafter "Br. in Opp.") filed by Respondents at the request of this Court:

I. Respondents' Brief Ignores the Major Thrust of the Petition for Certiorari

In stressing that the Fourth Circuit "studiously resorted to" and "follow[ed] so precisely the clear guidance of" this Court's decisions in *Atascadero*, *supra*, and *Welch* v. *State Department of Highways and Public Transportation*, 107 S. Ct. 2941 (1987), Respondents simply miss the major thrust of Petitioner's argument. Br. in Opp. at 4. Because the federal courts have exclusive jurisdiction over copyright suits (28 U.S.C. § 1338 (a)) and Congress has expressly preempted all state laws that "are equivalent to any of the exclusive rights within the general scope of copyright" (17 U.S.C. § 301(a)), the effect of recognizing Eleventh Amendment immunity here is to foreclose entirely a damage remedy created by Congress. Thus, in copyright cases, unlike other Eleventh Amendment cases, there is a compelling argument for not "studiously resorting to" and following "so precisely" the stringent Eleventh Amendment abrogation test set forth in *Atascadero* and *Welch* (*see* Petition for Certiorari at 6–11, 21–24). Since this Court has never yet applied that stringent test to foreclose a remedy in any forum, it is appropriate for the Court to consider whether the purpose underlying the Eleventh Amendment requires its application with full force when that would be the result.

Although Respondents argue that the interest advanced by the Eleventh Amendment "is the preservation of comity between state

and federal *governments*" (Br. in Opp. at 4, emphasis added), in fact, what the Eleventh Amendment protects is the proper balance of power between federal and state *courts*. *See Atascadero, supra*, 473 U.S. at 242; *Employees* v. *Missouri Public Health Dep't*, 411 U.S. at 285. It was because the federal courts must themselves decide in Eleventh Amendment cases "whether their own jurisdiction has been expanded" (*Atascadero, supra*, 473 U.S. at 243) that this Court imposed such a stringent test for determining, in most such cases, whether Congress has abrogated the Eleventh Amendment protection. However, in copyright cases, as the Ninth Circuit recognized in *BV Engineering, supra*, a finding of congressional abrogation "could not expand the jurisdiction of the federal courts" into the state courts' domain, because the federal courts already have exclusive jurisdiction and all equivalent state law has been preempted. There is simply no legitimate state court domain upon which to trample. Thus, the threat of federal encroachment upon state judicial authority, which is the major rationale for *Atascadero*'s stringent standard, is totally lacking in copyright cases.

For these reasons, the Fourth Circuit need not have followed so "precisely" the dictates of *Atascadero* in order to find, as did the Register of Copyrights in his recent Report (Register of Copyrights, *Copyright Liability of States and the Eleventh Amendment* 103 (June 1988) [hereinafter *Copyright Office Report*]), that Congress did intend to abrogate state immunity when it enacted the Copyright Act of 1976. *See* Note, *The Applicability of Eleventh Amendment Immunity Under the Copyright Acts of 1909 and 1976*, 36 Am. U.L. Rev. 163, 187–88 (1986). Indeed, it could have adopted the more flexible approach employed by the Seventh Circuit in *Gomez* v. *Illinois State Board of Education*, 811 F.2d 1030 (7th Cir. 1987), and *In re McVey Trucking, Inc.*, 812 F.2d 311 (7th Cir.), *cert. denied*, 108 S. Ct. 227 (1987).

As the Petition for Certiorari notes (at 18), the Seventh Circuit in *Gomez* held that abrogation by Congress may be found "not in so many words, but rather by [the statute's] effect," as, for example, "where any other reading of the statute in question would render nugatory the express terms of the provision." 811 F.2d at 1036. And in *McVey, supra*, the Seventh Circuit was willing to consider both the

words of the statute and the legislative history, "taken together," to determine if it could be "certain" that Congress intended to create a cause of action against the states. 812 F.2d at 326. Although the Petition for Certiorari in this case does not rely upon any direct conflict among the circuits, both of these Seventh Circuit cases do adopt a markedly different interpretation of this Court's *Atascadero* standard than the one adopted by the Fourth Circuit in the instant case.

II. The Separate Waiver Doctrine Is Not Dead

A different alternative approach to the stringent *Atascadero* abrogation test, at least in cases where the effect of Eleventh Amendment immunity would be to deny relief entirely, is the separate doctrine of waiver. As noted in the Petition for Certiorari (at 19–20), the Fourth Circuit erroneously viewed the waiver doctrine as, in effect, co–extensive with the *Atascadero* abrogation test, and therefore did not separately consider it.

Contrary to Respondents' assertion (Br. in Opp. at 4), the constructive waiver doctrine is not "a dead legal theory." This Court implicitly recognized as much when, in *Welch*, *supra*, it overruled its previous decision in *Parden* v. *Terminal Railway*, 377 U.S. 184 (1964), *only* to the extent that *Parden* was "inconsistent with the requirement that an *abrogation* of Eleventh Amendment immunity by Congress must be expressed in unmistakably clear language." 107 S. Ct. at 2948 (emphasis added).

Nor did the Fourth Circuit's opinion ever insinuate that the constructive waiver doctrine had been exterminated by this Court in *Welch*. Rather, as noted above, it believed that both doctrines required an identical analysis of congressional intent based solely upon the face of the statute. Indeed, if the Fourth Circuit's decision could possibly be read to support Respondents' suggestion that the waiver doctrine is "a dead legal theory," then it would definitely be in direct conflict with the decision of the First Circuit in *WJM, Inc.* v. *Massachusetts Department of Public Welfare*, 840 F.2d 996, 1001–05 (1st Cir. 1988), decided eight months after this Court allegedly killed off the waiver doctrine in *Welch*.

In *WJM*, the First Circuit expressly passed over the *Atascadero* abrogation test, and denied the Eleventh Amendment defense on the ground that Massachusetts had waived its Eleventh Amendment immunity by the affirmative act of filing bankruptcy proofs of claim. Critical to the First Circuit's analysis was the finding that states had been put "on notice" that such an affirmative act would subject them to the jurisdiction of the federal courts. *WJM*, 840 F.2d at 1003. Likewise, Petitioner here argues that the states have long been "on notice" that their affirmative acts in utilizing the copyrighted materials of others without paying royalties will subject them to damage suits in federal court. Respondents' contention that the waiver doctrine is "dead" merely serves to point up an issue presented by this case which ought to be resolved by this Court.

III. Respondents' Suggestion of the Availability of State Law Remedies Contradicts Congress' Express Preemption of Copyright Remedies, Thus Raising a Constitutional Issue Which This Court Should Resolve

Respondents recognize that at the heart of Petitioner's case is the unavailability of any viable damage remedy for state copyright infringement if the Eleventh Amendment bar is upheld. They therefore suggest that copyright proprietors may resort to not one, but *three* alternative remedies under Virginia law, "outside the context of the Copyright Act" (Br. in Opp. at 5–6). Thus, Respondents argue, either under article I, section 11 (the "due process" clause) of the Virginia Constitution, or under §§ 2.1–223.1 and 8.01–192 of the Virginia Code (authorizing the pursuit of "pecuniary claim[s] against the Commonwealth upon any legal ground"), or under the Virginia Tort Claims Act (Virginia Code §§ 8.01–195.1 to –195.8), the state courts of Virginia may award damages to copyright proprietors for the Commonwealth's infringement of their copyrights. Indeed, Respondents go so far as to urge that "every state in the Union provides, by constitution or statute, a remedy for unlawful taking of private property by the govern-

ment," which, it is suggested, would be available to redress state copyright infringement. (Br. in Opp. at 6 n.4).[1]/

The invocation of state law remedies utterly ignores the fact that, in section 301(a) of the Copyright Act of 1976, Congress has *expressly preempted* "all legal or equitable rights that are equivalent to any of the exclusive rights within the general scope of copyright," and has expressly provided that, after January 1, 1978, "no person is entitled to any such right or equivalent right in any such work under the common law or statutes of any State."[2]/ It was expressly the intent of Congress in enacting that section to preempt all state law rights and remedies which are not "different in kind" from those protected under the Copyright Act. *Harper & Row, Publishers* v. *Nation Enterprises*, 501 F. Supp. 848 (S.D.N.Y. 1980), *aff'd*, 723 F.2d 195, 200–201 (2d Cir. 1983), *rev'd on other grounds*, 471 U.S. 539 (1985) (barring pursuit of state law conversion and tortious interference claims which were not "different in kind" from copyright infringement claim). Thus, enactment of § 301(a) abolished every state law claim based on "an act which, in and of itself, would infringe one of the exclusive rights" protected by the Copyright Act (*Id.*, 723 F.2d at 200).

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[1]/ Respondents also suggest (Br. in Opp. at 5) that an adequate remedy exists because, as the Fourth Circuit expressly held, Petitioner may still maintain a damage claim against a state employee, Deborah Brown, acting in her individual capacity. But Respondents cannot seriously contend that a damage award enforceable only against the personal assets of state civil servants could possibly constitute the equivalent of a damage claim against the state itself. Moreover, were the individual state agent able to claim or obtain indemnification from the state treasury, then the suit would be considered the equivalent of a suit against the state and barred by the Eleventh Amendment if the suit against the state were barred. *See, e.g., Edelman* v. *Jordan*, 415 U.S. 651, 664–65 (1974); *Dugan* v. *Rank*, 372 U.S. 609, 620 (1963); *Ford Motor Co.* v. *Dep't of Treasury of Indiana*, 323 U.S. 459, 464 (1945).

[2]/ House Report No. 94–1476 explains that "the intention of section 301 is to preempt and abolish any rights under the common law or statutes of a State that are equivalent to copyright and that extend to works coming within the scope of the Federal copyright law." H.R. Rep. No. 1476, 94th Cong., 2d Sess., at 130 (1976). That scope is extremely broad, covering works "fixed in any tangible medium of expression." That includes the copyrighted photographs owned by Petitioner. *See* 17 U.S.C. § 102.

Given the express action of Congress to occupy the entire copyright sphere and to preempt all "equivalent" rights of action under state law, the assertion of equivalent remedies under Virginia law would violate the Supremacy Clause of the Constitution under this Court's preemption decisions. *See, e.g., Sears, Roebuck & Co.* v. *Stiffel & Co.*, 376 U.S. 225, 230-233 (1964); *Goldstein* v. *California*, 412 U.S. 546 (1973); *see generally* Abrams, *Copyright, Misappropriation, and Preemption: Constitutional and Statutory Limits of State Law Protection*, 1983 Sup. Ct. Rev. 509 (1983). Far from providing a reason for this Court to *deny* a writ of certiorari in this case, if Respondents' argument that state law remedies are available has any merit at all, then its apparent conflict with the preemption doctrine raises a separate constitutional issue for review by this Court under the criteria enunciated in Rule 17.1. 3/

3/ Finally, Respondents suggest that the prospective injury to all copyright owners, if they are left without a damage remedy against infringing states, is simply a "hypothetical tale of woe," unsupported by any "actual needs" (Br. in Opp. at 7). But those "actual needs" are well documented in the Report of the Register of Copyrights, cited both in the Petition for Certiorari (at 7-8) and Respondents' brief (at 7 n.6), which documented several actual instances of harm to copyright proprietors (*Copyright Office Report* at 5-17), in support of its overall conclusion that "copyright proprietors have demonstrated they will suffer immediate harm if they are unable to sue infringing states in federal court." *Id.* at 103.

CONCLUSION

For the foregoing reasons, and those set forth in the Petition for Certiorari, petitioner respectfully prays that this Court grant a writ of certiorari to review the decision of the United State Court of Appeals for the Fourth Circuit.

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